

# APPENDIX B

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK  
09 Civ. 1410 (KAM) (RLM)

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ROSS UNIVERSITY SCHOOL OF DEPOSITION UPON  
MEDICINE, LTD., ORAL EXAMINATION

Plaintiff,  
vs.  
PAUL GOLDBERG

BROOKLYN-QUEENS HEALTHCARE,  
INC. and WYCKOFF HEIGHTS  
MEDICAL CENTER,

Defendants.

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WEDNESDAY, JULY 6, 2011

REPORTING SERVICES ARRANGED THROUGH

1 TRANSCRIPT of the deposition of PAUL  
 2 GOLDBERG, the witness, having been called for Oral  
 3 Examination by the respective parties in the  
 4 above-entitled action pursuant to the Civil Rules of  
 5 Practice and Procedure of the State of New Jersey,  
 6 said deposition being taken by and before LUANN J.  
 7 COFONE, a Certified Court Reporter and Notary Public  
 8 of the State of New Jersey, at the Jersey City  
 9 Medical Center, 355 Grand Street, Jersey City, New  
 10 Jersey, on Wednesday, July 6, 2011, commencing at  
 11 10:33 in the morning.

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## 17 A P P E A R A N C E S

18

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22 (312) 416-6225

23 BY: GEORGE J. TZANETOPOULOS, ESQ.

24 Attorneys for the Plaintiffs.

25

## 1 I N D E X

2  
 3 WITNESS DIRECT CROSS REDIRECT RECROSS  
 4 PAUL GOLDBERG  
 5 BY: Mr. Tzanetopoulos 5  
 6 BY: Mr. Loughlin 47

7 E X H I B I T S  
 8

10 NUMBER	DESCRIPTION	PAGE
12 Goldberg-1	Packet of Documents, #12250 through #12608	15
14 Goldberg-2	Caritas Health Care, Inc. Consolidated Financial Statements	22
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3 5

## 1 A P P E A R A N C E S (Cont'd.)

2

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16 Attorneys for the Paul Goldberg.

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1	Goldberg-11 Memo from Claire Mullally to Raymundo Wilfredo	44
2		
3	Goldberg-12 E-mail from Paul Goldberg dated 3/25/08	45
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1 PAUL GOLDBERG, 355 Grand Street, Jersey  
 2 City, New Jersey, having been first duly sworn  
 3 according to law by the Officer, testified as  
 4 follows:

5  
 6 DIRECT EXAMINATION BY MR. TZANETOPOULOS:  
 7

8 Q. Good morning, Mr. Goldberg.

9 A. Good morning.

10 Q. Have you ever given a deposition  
 11 before?

12 A. Years ago, yes.

13 Q. Just once, or only once?

14 A. Just once.

15 Q. I'll give you the brief set of the  
 16 ground rules, I'm sure you talked to counsel. As  
 17 you know, I'll be asking a series of questions,  
 18 you'll be giving the answers, the court reporter  
 19 will write down what's said.20 If at any time you don't hear me or  
 21 don't understand me, let me know that and I'll say  
 22 the question again or differently. All right?23 That's the next rule, that's the trick  
 24 question, you have to answer out loud in words.

25 A. I hear you, yes.

1 Master's Degree?

2 A. 1984.

3 Q. And where did you get your Bachelor's?

4 A. Temple University also.

5 Q. And what year?

6 A. 1974.

7 Q. We can go with the short version but  
 8 if you could take us through the Paul Goldberg CV  
 9 from when you got out of school to present?

10 A. Graduate or undergraduate?

11 Q. Let's start with undergrad.

12 A. Undergraduate, 1974, my father had a  
 13 small business in Philadelphia, he was an auto  
 14 mechanic, I worked with him until I started grad  
 15 school in 1979; left that, then started a career in  
 16 hospitals, primarily in the Philadelphia area.17 Then around 1999, because of a merger,  
 18 I wound up working for Cambio Health Solutions,  
 19 they're a turnaround group, a hospital turnaround  
 20 group. Cambio then later on became part of FTI and  
 21 I stayed with them until 19 -- I'm sorry, 2008.

22 That's the short version.

23 Q. All right. In 2008, you came here?

24 A. About three or four months later in  
 25 early 2009 I started here as the interim CFO and

7

9

1 Q. She can't write down nods of the head.

2 A. Okay.

3 Q. And if you need a break, let us know,  
 4 we'll be happy to do that as well.

5 A. Yes.

6 Q. I know you've given it to her, but  
 7 would you please state your full name for the  
 8 record?

9 A. My name is Paul Goldberg.

10 Q. What's your home address?

11 A. 100 Warren Street, Jersey City, New  
 12 Jersey.

13 Q. How old are you, sir?

14 A. Sixty.

15 Q. And by whom are you presently  
 16 employed?17 A. Liberty Health, which is the owner of  
 18 this hospital, Jersey City Medical Center.

19 Q. In what capacity?

20 A. Chief financial officer.

21 Q. What is the highest level of education  
 22 that you've attained?23 A. I have a Master's degree in healthcare  
 24 finance from Temple University.

25 Q. What year did you receive your

1 then stayed.

2 Q. When you first started at Cambio  
 3 Health Solutions, what was that firm's business?4 A. They were part, I believe at that  
 5 point they were a part of Quorum Health and they  
 6 were basically the turnaround group.

7 Q. And in layman's terms what is a --

8 A. That was the group that worked with  
 9 financially distressed hospitals trying to get them  
 10 un-distressed.11 Q. Okay. What was your position at  
 12 Cambio Health Solutions and later at FTI/Cambio?13 A. Well, I started out as probably a  
 14 manager or a senior manager, I forgot the exact  
 15 title, wound up the equivalent of a vice-president,  
 16 and was at that level when I went later to FTI,  
 17 different names but that was basically the position.18 Q. And did you have a particular  
 19 specialty within the group?20 A. Yeah, most of the time I spent with  
 21 Cambio and/or FTI it was an interim CFO positions, I  
 22 would go in early in the process to kind of help  
 23 manage the hospitals, they were going through  
 24 assessments and later on implementation support.

25 THE WITNESS: I'm sorry, you can't

1 read my fingers.

2 Q. In connection with your work at either  
3 Cambio or FTI, at some point did you receive an  
4 assignment to work at Brooklyn-Queens Healthcare and  
5 its affiliates?

6 A. Yes.

7 Q. When did you do so?

8 A. I believe it was in 2007.

9 Q. Were you part of a team from  
10 FTI/Cambio that was assigned to Brooklyn-Queens  
11 Healthcare?

12 A. Yes.

13 Q. Who was on that team?

14 A. Well, there were a couple different  
15 phases. The first phase was an assessment and that  
16 was myself, Tom Singleton, gosh, I'm trying to  
17 remember who else was there. I don't recall the  
18 other members of the team. There were various  
19 professionals looking at various pieces of the  
20 operation.

21 Q. We'll talk in some more detail about  
22 that first phase. Were there other phases of your  
23 work at Brooklyn-Queens Healthcare?

24 A. After the assessment phase we went on  
25 and were retained to do implementation support and

1 approach you've testified about?

2 A. The assessment phases where we'd come  
3 in with a team of professionals where we'd look at  
4 the finances, financial operations, in some cases  
5 operations, clinical operations, normally all  
6 manners of operations of the hospital or hospitals  
7 that are involved.

8 We then issue a report on our thoughts  
9 as to how to fix any problems that we find or  
10 uncover, that the team found or uncovered. That's  
11 then presented to the board and depending on the  
12 situation, we may or may not then get retained to do  
13 implementation work, if the board so chooses to go  
14 in that direction.

15 Q. And the implementation work would be  
16 implementing the plan that you presented to the  
17 board in the assessment phase?

18 A. Correct, correct.

19 And I want to stress that's the normal  
20 way that that works.

21 Q. Okay. Did you play any part in the  
22 discussions with anyone from Brooklyn-Queens  
23 Healthcare or any of its affiliates leading up to  
24 the assignment for Phase 1, the assessment phase?

25 A. Did I have any direct discussions?

11 1 then to provide interim executives.

12 Q. Was that two-phase approach to an  
13 assignment like this something fairly common in your  
14 work?

15 A. Normally that's how it worked.

16 Q. And if you could describe --

17 MR. LOUGHIN: George, if I could just  
8 say for a second, I'm not sure the record is clear,  
9 I wasn't sure whether the first phase that Mr.  
10 Goldberg was referring to was solely the Caritas  
11 project which preceded the agreement that FTI/Cambio  
12 entered into with BQHC, Caritas and Wyckoff.

13 It's your deposition, but I think  
14 there's the potential for lack of clarity there.

15 MR. TZANETOPOULOS: Okay, we'll try to  
16 clear that up as we go along.

17 MR. LOUGHIN: I just noticed that the  
18 witness paused when you asked about the first phase  
19 being related to BQHC and its affiliates and I  
20 believe we don't have any dispute that there was an  
21 initial assignment that was solely related to  
22 Caritas.

23 Q. If you would, Mr. Goldberg, in  
24 layman's terms for folks not familiar with  
25 healthcare turnarounds, describe that two-phase

13 1 Q. Yes.

2 A. I did not. I was not marketing, I was  
3 there when the team was brought in after the  
4 agreement was signed.

5 Q. All right. Who worked from FTI, if  
6 you know, on reaching an agreement with the  
7 hospitals on FTI's first phase work?

8 A. My recollection is, I believe it was  
9 E.M. Briggs.

10 Q. And who led your team for the  
11 assessment phase?

12 A. That would have been Tom Singleton.

13 Q. As you understood it, what was your  
14 assignment in the assessment phase?

15 A. It was to work with the financial  
16 professionals looking at records, financial  
17 statements and any other information that would have  
18 been available to be able to guide us as to what was  
19 wrong financially with the organization.

20 Q. And which of the organizations were  
21 you looking at?

22 A. It was only the Caritas.

23 Q. What information had you been -- or  
24 were you provided during the course of that  
25 assessment?

1       A. It was extremely difficult because  
 2 there was very little accurate information when we  
 3 arrived. My recollection is I had just gone through  
 4 an acquisition with BQHC buying the two Caritas  
 5 hospitals and it had only been a couple of months,  
 6 they did not have accurate financial records, they  
 7 did not have working computer systems, they weren't  
 8 getting bills out the door, it was a real problem,  
 9 and they were having significant cash flow problems  
 10 and the only real information we had was basically  
 11 the checkbook, you know, and they were writing  
 12 checks and also the receipts, and that was it.

13     **Q. With which people who are presently at  
 14 the BQHC or Caritas organizations did you interact?**

15     A. There was a gentleman Harold McDonald  
 16 who I would talk with regularly. There was a CFO  
 17 for Caritas at that time and I'm blanking on the  
 18 gentleman's name who we worked with, plus members of  
 19 the finance group that were existing at Caritas at  
 20 that time. But basically not too many people at  
 21 Wyckoff at all, other than Harold.

22     **Q. During the course of your assessment  
 23 phase, did you interact with any authorities from  
 24 State of New York regulatory agencies in connection  
 25 with your work?**

15     A. We would have discussions with those  
 16 in the Department of Health primarily, not so much  
 17 (word inaudible) but there's the dormitory authority  
 18 but more the Department of Health.

5       **Q. And what were the topics of the  
 6 discussion with the Department of Health during that  
 7 phase?**

8       A. I have very little recollection of  
 9 those discussions other than they were curious as to  
 10 what we were finding and that's basically it, that's  
 11 what I recall.

12     **Q. Let's see if we can get there quicker  
 13 rather than later. The defendants in this case have  
 14 produced a number of records that have discussed  
 15 unauthorized transfers of funds between the Caritas  
 16 organization and Wyckoff. Was one of your  
 17 assignments to look into those transfers?**

18     A. No, there was a separate forensic  
 19 audit being performed. If I recall, it was PWC  
 20 Cooper, I may be mistaken, who was looking at those  
 21 types of issues. We were not charged with looking  
 22 at forensics or doing any forensics.

23     **Q. At some point in time were you and  
 24 your team engaged to do the second phase of  
 25 implementation?**

1       A. We were, the company was engaged to  
 2 provide implementation support to try and fix what  
 3 was broken, as well as to provide interim  
 4 executives.

5       **Q. Did the scope of that assignment  
 6 change over time?**

7       A. There may have been people added to  
 8 that list depending on what the needs of the  
 9 organization were. Normally that would happen.  
 10 This may have happened here but I don't recall any  
 11 specifics.

12     **MR. TZANETOPOULOS: Goldberg-1.**  
 13 (Whereupon Exhibit No. Goldberg-1 was  
 14 marked for identification.)

15     **Q. Mr. Goldberg, let me show you the  
 16 document that the court reporter has marked as  
 17 Goldberg Deposition Exhibit No. 1. For clarity of  
 18 the record, that document has been stamped with  
 19 identification numbers BQHC 12550 through 12608.  
 20 I'll give you this, take a minute, and once you've  
 21 had a chance, I'll have some questions.**

22     A. Is there an exam?

23     **Q. We'll get to that part.**

24     **Mr. Goldberg, what is Exhibit 1?**

25     A. Well, there were various operating

15

17

1       scenarios that were developed for the board and also  
 2 discussed at some point with the State, if I recall,  
 3 about what we could expect to get financially out of  
 4 the operations of St. John's Queens and Mary  
 5 Immaculate, they're basically the two Caritas  
 6 hospitals. This was one of those plans that was put  
 7 together and there were a couple different ones that  
 8 were put together.

9       **Q. Let me call your attention back to  
 10 that first page of the exhibit, which is an E-mail.  
 11 Is that an E-mail that you sent to that list of  
 12 people?**

13     A. Yes.

14     **Q. Where were you office-ed at this time?**

15     A. I believe my office at that point was  
 16 the BQHC offices on Queens Boulevard, I don't recall  
 17 the exact address.

18     **Q. I want to just briefly take you  
 19 through who the people were to whom you sent this.  
 20 Who is Richard Zall, Z-A-L-L?**

21     A. Richard Zall was the attorney who  
 22 represented the board from Proskauer Rose.

23     **Q. Tom Singleton?**

24     A. Tom Singleton was the leader of the  
 25 engagement from FTI.

<p>1           Q. Kristi Lee?</p> <p>2           A. Was one of the specialists working on</p> <p>3           part of what's called revenue cycle, she was working</p> <p>4           on a patient access registration type issues.</p> <p>5           Q. From FTI?</p> <p>6           A. Yes.</p> <p>7           Q. John Siedlecki?</p> <p>8           A. John Siedlecki was one of the senior</p> <p>9           managing directors for FTI that was kind of more of</p> <p>10          a marketing guy but was also working with Tom in</p> <p>11          terms of what the presentation should look like, not</p> <p>12          a technical person involved with the analysis.</p> <p>13          Q. John Southworth?</p> <p>14          A. John Southworth was in-house counsel</p> <p>15          to FTI, actually FTI/Cambio.</p> <p>16          Q. Harold McDonald you've talked about.</p> <p>17          Dominick Gio?</p> <p>18          A. Dominick Gio was the CEO of BQHC,</p> <p>19          Caritas, Wyckoff BQHC at that time.</p> <p>20          Q. Richard Sarli?</p> <p>21          A. Richard Sarli was the Caritas CFO.</p> <p>22          That was the name that I couldn't remember.</p> <p>23          Q. Edward Dowling?</p> <p>24          A. Was I believe the BQHC chief strategic</p> <p>25          planner, I may not have his title right but that was</p>	<p>1 highlights for operating both hospitals?</p> <p>2           A. Uh-huh.</p> <p>3           Q. You have to use words.</p> <p>4           A. I'm sorry, yes.</p> <p>5           Q. That's okay, twenty minutes in the</p> <p>6          first time, that's not bad.</p> <p>7           If we get to the page marked BQHC</p> <p>8          12561, is what follows there consideration of what</p> <p>9          might occur should the board choose to close Mary</p> <p>10         Immaculate but continue to operate St. John's</p> <p>11         Hospital?</p> <p>12          A. Yes.</p> <p>13          Q. Now, was this presented to the board?</p> <p>14          A. I believe my recollection is that this</p> <p>15          was presented to the board.</p> <p>16          Q. And which board?</p> <p>17          A. It would have been the BQHC board, and</p> <p>18          I do not recall if it was presented to the Caritas</p> <p>19          board, I believe it was BQHC.</p> <p>20          Q. Now, where did you obtain the -- let</p> <p>21          me go back a step. Who prepared the material that's</p> <p>22          in this presentation in Exhibit 1?</p> <p>23          A. FTI/Cambio.</p> <p>24          Q. And what people?</p> <p>25          A. I would have been included in that,</p>
<p>19</p> <p>1          his role.</p> <p>2          Q. David Hoffman?</p> <p>3          A. Was in-house counsel to Wyckoff,</p> <p>4          Caritas, BQHC.</p> <p>5          Q. And Joann Purcell?</p> <p>6          A. May have been one of the</p> <p>7          administrative assistants, I don't remember that,</p> <p>8          I'm not clear.</p> <p>9          Q. I had the advantage of going through</p> <p>10         these last night but it looks as if there were Plan</p> <p>11         A, Plan B, and a number of scenarios considered</p> <p>12         here, but is it correct to say that the overall</p> <p>13         approach here was to consider the potential for</p> <p>14         continuing to operate both St. John's Hospitals and</p> <p>15         Mary Immaculate Hospitals or, instead, to consider</p> <p>16         what would occur, what might occur if Mary</p> <p>17         Immaculate were closed but St. John's continued to</p> <p>18         operate?</p> <p>19          A. I think that's an accurate</p> <p>20          description.</p> <p>21          Q. And if I might direct your attention</p> <p>22          to the page on the exhibit marked BQHC 12552, the</p> <p>23          second page in?</p> <p>24          A. Uh-huh.</p> <p>25          Q. What follows that section would be the</p>	<p>19</p> <p>21</p> <p>1          there would have been other financial analysts that</p> <p>2          would have been involved on the project, there would</p> <p>3          have been input from a variety of people within the</p> <p>4          organization.</p> <p>5          Q. And from whom did you obtain the</p> <p>6          information that, the underlying information with</p> <p>7          regard to the presentation?</p> <p>8          A. It would have been from Richard Sarli.</p> <p>9          Q. Mr. Sarli, I think you said was --</p> <p>10         A. He was the CFO for Caritas.</p> <p>11         Q. Let me direct your attention to a</p> <p>12         portion of the exhibit where the discussion is about</p> <p>13         what would happen if Mary Immaculate were closed,</p> <p>14         and in particular on the page marked BQHC 12568.</p> <p>15         And, I apologize, let me just have</p> <p>16         you, because that's a continued page, turn one page</p> <p>17         earlier and we'll start the discussion at the</p> <p>18         beginning.</p> <p>19         There's a heading in the presentation</p> <p>20         entitled borrowing and repayment. What was being</p> <p>21         presented in that section?</p> <p>22         A. This was basically cash that may have</p> <p>23         been available to help basically provide working</p> <p>24         capital for the organization and then what was being</p> <p>25         borrowed and what would be paid back, that's my</p>

1      recollection of what this is.	1      Q. During the course of your work, were
2      Q. On the second page, on page 18 of the	2      you given access to the monthly, weekly, whatever,
3      presentation marked BQHC 12568, the third bullet	3      financial reporting of both Caritas and ultimately
4      point on the slide reads, the 8.5 million dollars of	4      Wyckoff?
5      deferred revenue accrued for medical student	5      A. Monthly only for Wyckoff, more along
6      education will be amortized by later rotations done	6      the lines of daily and weekly because of the crisis
7      at SJQH and Wyckoff with no impact on cash flow, do	7      at Caritas.
8      you see where I am?	8      Q. Were you familiar then with the fact
9      A. Yes, sir.	9      that Ross University School of Medicine was one of
10     Q. Were you and your team made aware that	10     the medical schools that had prepaid for clerkships?
11     funds had been received from medical schools for	11     A. Yes, I was aware.
12     medical student education?	12     Q. Let's go back then to Exhibit-1, if we
13     A. Yes.	13     may, on page 18 of your presentation. The eight and
14     Q. And what was your understanding of	14     a half million dollars of deferred revenue that's
15     those arrangements?	15     referred to there, did you understand that to
16     A. Depending on the arrangements, that,	16     include money that had been advanced by Ross?
17     prior to our getting there Wyckoff, and I don't	17     A. This was a financial plan, I don't
18     recall Caritas, but Wyckoff had relationships with	18     recall which schools may have been involved in that.
19     medical schools for medical students rotating	19     Q. Okay. Who is it that for FTI would
20     through, not interns or residents but medical	20     have gathered and assimilated into your plan the
21     students, and that the slots, there were a number of	21     information about medical school contracts?
22     slots that were desirable and the schools had agreed	22     A. It would have been Tom Singleton.
23     to pay so much per slot and in some cases paying out	23     Q. Okay. Are you at all familiar with
24     into the future for those slots.	24     why it is that the presentation concludes that that
25     Q. Let me see if I can aid the discussion	25     eight and a half million dollars of deferred revenue
23	25
1      with one other document.	1      could be amortized by later rotations done by both
2      MR. TZANETOPOULOS: Exhibit 2, if you	2      St. John's and Wyckoff?
3      would, please.	3      A. No.
4      (Whereupon Exhibit No. Goldberg-2 was	4      Q. This would have been Mr. Singleton's
5      marked for identification.)	5      part of the project?
6      Q. Mr. Goldberg, let me show to you a	6      A. Yeah.
7      document the court reporter has marked as Exhibit	7      Q. Okay. As a result of these
8      No. 2.	8      presentations, did the board reach --
9      A. Uh-huh.	9      MR. LOUGHLIN: The presentation that's
10     Q. Which we've stapled, for ease of use,	10     Exhibit 1?
11     these two documents together, the consolidated	11     MR. TZANETOPOULOS: Mr. Goldberg's
12     financial statements for Caritas Health Care, Inc.	12     talked about other presentations too and I'm willing
13     for year ended December 31, 2007, and towards the	13     to include them all.
14     back there's Wyckoff Heights Medical Center for the	14     MR. LOUGHLIN: Okay.
15     same period of time.	15     Q. Did the board settle on a plan?
16     A. Uh-huh.	16     MR. SEAR: I object to the form but
17     Q. I take it during the course of your	17     you can answer it.
18     work you became familiar with --	18     A. I think the overriding plan was to try
19     A. Actually, this was issued after I	19     and keep both hospitals open. There was never any
20     left.	20     other discussion about closure of Mary Immaculate,
21     Q. Oh, was it really?	21     to my recollection, so whatever we put together was
22     A. Yeah. I think if I recall the dates,	22     always with the thought that both hospitals would
23     these were issued July 31st, 2008, and I was no	23     stay open.
24     longer on that assignment at that point so I've	24     MR. TZANETOPOULOS: This will be
25     never seen these before.	25     marked 3.

1 (Whereupon Exhibit No. Goldberg-3 was  
 2 marked for identification.)  
 3 Q. Mr. Goldberg, let me show you a  
 4 document that the court reporter has marked as  
 5 Deposition Exhibit No. 3. It's a July 30, 2007  
 6 E-mail and attached memorandum and has been stamped  
 7 with identification numbers BQHC 13451 through  
 8 13453.

9 I take it you understood that Mr.  
 10 Rucigay was chairman of the board?

11 A. Correct.

12 Q. All three entities?

13 A. Yes.

14 Q. Mr. Rucigay's memo states that Mr.  
 15 Singleton is being made chief restructuring officer  
 16 and you chief financial officer. Was that your  
 17 understanding at the time?

18 A. Yes.

19 Q. How is it that you learned that you  
 20 would be CFO of any of these entities?

21 A. It was actually at the board meeting  
 22 where it was decided that we would be retained and  
 23 specifically they asked for Tom Singleton to be CRO  
 24 and for me to be CFO.

25 Q. And you attended that board meeting?

1 A. It was to oversee all of the financial  
 2 fares of both Caritas and Wyckoff.

3 Q. Was it the case that either directly  
 4 or indirectly all of the people who worked in the  
 5 financial departments of those entities reported to,  
 6 or through somebody to you during that period of  
 7 time?

8 A. That was the working relationship that  
 9 I believe we had.

10 But I want to add something to that is  
 11 that there was also a pool, a central pool of  
 12 finance people that worked for all the organizations  
 13 that also were under, came under my  
 14 responsibilities. So they didn't report to either  
 15 CFO, they reported to me.

16 Q. So if we can understand this in an  
 17 overall sense, each of Wyckoff and Caritas had  
 18 financial people that reported to you?

19 A. There were two CFO's, one for Caritas,  
 20 one for Wyckoff who reported up through me. They  
 21 also reported, it was kind of a dotted line because  
 22 they also reported to the CEO's of those  
 23 organizations and also the executive directors of  
 24 the Caritas hospitals.

25 But then there were just day-to-day

27

28

1 A. Yes.

2 Q. Which board?

3 A. I believe it was the BQHC board.

4 Q. Mr. Rucigay's memo in discussing Mr.  
 5 Singleton's responsibilities says that, and I quote,  
 6 as CRO, Tom Singleton has been charged with  
 7 responsibility to assume full and overall management  
 8 authority of BQHC Wyckoff at Caritas and to only  
 9 address our current financial and operational  
 10 circumstances.

11 During the board meeting that you  
 12 attended, was there discussion giving to Mr.  
 13 Singleton full and overall management authority of  
 14 those entities?

15 A. I don't recall that discussion.

16 Q. Did you receive a copy of this  
 17 memorandum?

18 A. I don't have any recollection of  
 19 receiving this memo.

20 Q. Of which entities did you understand  
 21 yourself to be chief financial officer?

22 A. Brooklyn-Queens Healthcare.

23 Q. And what did you understand your  
 24 responsibilities to be as chief financial officer of  
 25 Brooklyn-Queens Healthcare?

1 functions like payroll and accounts payable and  
 2 billing that serviced all the hospitals, so that  
 3 came under our direction and control through BQHC.

4 MR. TZANETOPOULOS: I'm sorry, could  
 5 we go off the record for a second?

6 (A discussion is held off the record.)

7 MR. TZANETOPOULOS: If we can mark  
 8 these as the next three?

9 (Whereupon Exhibit No. Goldberg-4 was  
 10 marked for identification.)

11 (Whereupon Exhibit No. Goldberg-5 was  
 12 marked for identification.)

13 (Whereupon Exhibit No. Goldberg-6 was  
 14 marked for identification.).

15 Q. Mr. Goldberg, the court reporter has  
 16 marked as Exhibit 4 a document that's the  
 17 affiliation agreement between Ross University School  
 18 of Medicine and Brooklyn-Queens Healthcare, and as  
 19 Exhibit 5 the amendment to that agreement and as  
 20 Exhibit 6 the second amendment. I've marked them  
 21 all so you'd have them all there.

22 Now, the first question is with  
 23 respect to Exhibit 5, that's the amendment. If I  
 24 could direct your attention to the signature page of  
 25 the agreement marked Ross 55, is that your

1 signature?  
 2 A. Yes.  
 3 Q. How is it that you came to sign this  
 4 contract?  
 5 A. Um, normally in the course of business  
 6 at BQHC, if I was being asked to sign a document  
 7 like this, it was only because for some reason Mr.  
 8 Singleton was not available.  
 9 Q. So in the usual practice when Mr.  
 10 Singleton was chief reconstruction officer and you  
 11 were chief financial officer, Mr. Singleton would be  
 12 the party signing contracts?  
 13 A. Normally.  
 14 Q. On what occasions -- and you would  
 15 sign it if he wasn't available to?  
 16 A. Correct.  
 17 Q. Was it Mr. Singleton that directed you  
 18 to sign this contract?  
 19 A. He asked that I sign this contract and  
 20 my general recollection is that he was not  
 21 available. I would have had some discussions with  
 22 him, I would have had discussions with attorneys  
 23 before inking something like this.  
 24 Q. Was it your usual practice as chief  
 25 financial officer at Brooklyn Queens to get checkoff

1 MR. SEAR: I just object to the form,  
 2 you can answer.  
 3 A. The first agreement, I believe, was in  
 4 place. The amendment was here, the second amendment  
 5 would have been nothing more than this is when you  
 6 expect the cash, this is what you have to do with  
 7 it, this is the accounting for it.  
 8 Q. And would it have been Mr. Singleton  
 9 and Mr. Romero who worked on the deal aspects of the  
 10 contract?  
 11 A. That was my recollection.  
 12 Q. Had you signed other contracts on  
 13 behalf of Brooklyn-Queens Healthcare or any of its  
 14 affiliates?  
 15 A. It's a possibility but I don't recall  
 16 anything specifically.  
 17 MR. TZANETOPOULOS: This is the one I  
 18 have, mark that next, please.  
 19 (Whereupon Exhibit No. Goldberg-7 was  
 20 marked for identification.)  
 21 Q. Mr. Goldberg, the court reporter has  
 22 handed you a document that she has marked as Exhibit  
 23 7. It's entitled service agreement and marked with  
 24 identification numbers BQHC 51650 through 51653. Is  
 25 that your signature on the signature block?

31  
 1 from the hospital's legal counsel before signing a  
 2 contract on behalf of the organization?  
 3 A. Yes, for a variety of reasons, but  
 4 absolutely.  
 5 Q. Did you do so in this case?  
 6 A. My recollection is that I did.  
 7 Q. Which legal counsel did you consult  
 8 with?  
 9 A. There could have been one of two, it  
 10 could have been in-house counsel at that point or it  
 11 could have been someone from Proskauer Rose.  
 12 Q. Did you perform work on the underlying  
 13 deal itself?  
 14 A. Not really, that was more, the  
 15 negotiations were really handled by Tom Singleton  
 16 and Julius Romero, those were the principals and  
 17 then I would come in behind it just to make sure we  
 18 understood what the payment terms, kind of the  
 19 financial aspects of it or if there was cash  
 20 changing hands, when we receive it, what the lock  
 21 boxes were, that kind of stuff.  
 22 Q. And would your work have been the same  
 23 in connection with the second amendment?  
 24 MR. SEAR: I object to the form.  
 25 THE WITNESS: Excuse me?

33  
 1 A. Yes, yes.  
 2 Q. What was the purpose of this  
 3 agreement?  
 4 A. I believe that at that time Deborah  
 5 Vance was filling a role as the director of case  
 6 management for Caritas and this was an interim  
 7 agreement to retain her services. It was kind of  
 8 outside of FTI, she was not an FTI person but an  
 9 independent person, and this would have been an  
 10 agreement that would have been worked out with her,  
 11 approved by Mr. Singleton, who then would tell me  
 12 whether it was okay to proceed with it.  
 13 (Whereupon Exhibit No. Goldberg-8 was  
 14 marked for identification.)  
 15 Q. Mr. Goldberg, let me show you a  
 16 document that the court reporter has marked Exhibit  
 17 8. It's entitled Wyckoff Heights Medical Center  
 18 Board Resolution, stamped with identification  
 19 numbers BQHC 55797. I take it from Exhibit 8 you  
 20 were given authority to sign -- well, let me ask  
 21 you, the resolution says that you and Mr. Singleton  
 22 have been approved as signatories to the hospital  
 23 operating account. What was the hospital operating  
 24 account?  
 25 A. Well, normally when you have to make

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1 payroll or make accounts payable payments, someone's  
 2 got to sign checks and it would be solely to sign  
 3 checks for hospital business, normal hospital  
 4 business.

5 Q. And so is it correct then that what  
 6 this resolution did was enable you and Mr. Singleton  
 7 to sign checks on Wyckoff's bank account?

8 A. That would be, I think the short  
 9 answer is yes but in the normal course of business.

10 Q. Is it the case that during your time  
 11 as CFO of BQHC that, in fact, you signed contracts  
 12 and checks on behalf of all of the affiliated  
 13 entities?

14 A. Because we had central processing of  
 15 accounts payable and payroll, the odds are either  
 16 there was an electronic stamp, which this would give  
 17 us the authority to run tons of checks with  
 18 somebody's signature on it, or there was a special  
 19 need for a check to go out for a specific purpose or  
 20 a wire transfer, so that gave me the ability as CFO  
 21 to sign off on those checks for special wires.

22 Q. And my question really is in the  
 23 course of your work there, you said you were CFO of  
 24 BQHC but we've seen contracts on behalf of Caritas  
 25 and now checks on behalf of Wyckoff that either you

1 A. Uh-huh.

2 Q. That's a contract where Caritas  
 3 healthcare is the party. Did you think that you  
 4 were doing anything wrong signing on behalf of  
 5 Caritas?

6 A. No.

7 Q. Why did you think that you could sign  
 8 on behalf of Caritas Healthcare?

9 A. Because as CFO for BQHC, which was the  
 10 parent, I believe that I had that authority as long  
 11 as there was administrative approval to go ahead and  
 12 sign that agreement.

13 Q. Is that also true in connection with  
 14 Exhibit 5, the amendment to the contract with Ross?

15 A. From my perspective it's the same,  
 16 it's the same issue to the extent that there was  
 17 administrative and/or the appropriate approvals were  
 18 in place, then I could go ahead and sign on behalf.

19 MR. LOUGHLIN: Could we go off the  
 20 record for a second?

21 (A discussion is held off the record.)

22 (Whereupon Exhibit No. Goldberg-9 was  
 23 marked for identification.)

24 Q. Mr. Goldberg, let me show you a copy  
 25 of what the court reporter has marked as Exhibit 9.

35

37

1 signed or were given authority to sign, so my  
 2 question is during the course of your work there,  
 3 did you sign contracts and checks on behalf of BQHC  
 4 and Wyckoff and Caritas?

5 A. I don't recall any specific checks.  
 6 It could have happened, it may have happened, I  
 7 can't specify, and there may have also been wire  
 8 transfers that had to be made on behalf of the  
 9 corporations.

10 But, again, we had central processing  
 11 of that stuff so we had to have that ability to get  
 12 stuff out if, for example, one of the other CFO's  
 13 was not available as well.

14 Q. So as the hospital entities ran their  
 15 business at that time, is it correct that, because  
 16 you say at the top the central function, you had  
 17 authority to act on behalf of each of those  
 18 entities?

19 A. Not to make decisions as much as just  
 20 process things that had to be processed. It was not  
 21 to spend money outside of the scope of whatever the  
 22 budget or the plan was for those organizations.

23 Q. Let's go back, if you would, go to  
 24 Exhibit No. 7, that's the service contract with Ms.  
 25 Vance?

1 It's the minutes from the December 20, 2007 Wyckoff  
 2 Heights Medical Center Board of Trustees meetings.  
 3 You can look at as much of this as you'd like or I'm  
 4 going to have some questions. Just to give you a  
 5 fair warning, we'll be at the top of page 4 but take  
 6 a minute and look at it and then we'll talk.

7 All set?

8 A. Yes.

9 Q. Let's start out with asking, was it  
 10 your practice during the time you were at the  
 11 hospitals to attend the Wyckoff board meetings?

12 A. Yes.

13 Q. And did you also attend the Caritas  
 14 board meetings?

15 A. Yes, yes.

16 Q. And the Brooklyn-Queens Healthcare  
 17 meetings?

18 A. Yes.

19 Q. The minutes show that you were at this  
 20 one. Is that consistent with your recollection?

21 A. Yes.

22 Q. The exhibit, the minutes in Exhibit 9  
 23 reflect --

24 A. What page are you on?

25 Q. Pages 3 and 4 of the minutes.

1        -- reflect a report of the chief  
 2        restructuring officer. Was that Mr. Singleton's  
 3        report to the board?

4        A. From what I can see in the minutes,  
 5        this seems to be consistent. I don't recall word  
 6        for word but, yeah.

7        Q. Okay. Page 4 of the minutes says  
 8        that, and I quote, Mr. Singleton reported that he,  
 9        along with Mr. Gio and Julius Romero, have been  
 10      negotiating with the Caribbean medical schools over  
 11      the last two months to generate additional cash for  
 12      Wyckoff and Caritas. He stated that we have been  
 13      successful in both cases. Wyckoff received a wire  
 14      transfer today from Ross University in the amount of  
 15      4 million dollars for prepaid medical student  
 16      clerkship rotations. This should help relieve some  
 17      cash flow problems for Wyckoff. He mentioned that  
 18      Caritas received 3.7 million dollars last week from  
 19      Ross University, closed quote.

20        Do you recall anybody at this meeting  
 21      objecting to Mr. Singleton having entered into those  
 22      deals?

23        A. I have no recollection of anybody  
 24      saying, no, you shouldn't do this.

25        Q. Did anybody, except Mr. Rucigay, thank

39  
 1        Mr. Singleton for his report, but other than that,  
 2        did anybody comment on the report that Mr. Singleton  
 3        had been entering into contracts with medical  
 4        schools?

5        A. I don't recall any specific  
 6        discussions where anybody might have said, no, you  
 7        shouldn't be doing this. Frankly, more of my  
 8        recollection would be they would say, great, we have  
 9        some additional cash.

10        Q. The reaction of the board was that  
 11      these reports, was it not, an expression of  
 12      happiness that cash was coming in the door for these  
 13      contracts?

14        A. I would have to agree with that. I  
 15      don't recall anything negative about those  
 16      discussions.

17        Q. During the time that you were working  
 18      at Brooklyn-Queens Healthcare, did BQHC have any  
 19      assets?

20        A. None that I recall. My recollection  
 21      was that BQHC was what was termed the passive  
 22      parent, it did not really have anything of its own.

23        MR. TZANETOPOULOS: Do that one as the  
 24      next one, please.

25        (Whereupon Exhibit No. Goldberg-10

1        was marked for identification.)

2        Q. Mr. Goldberg, the court reporter has  
 3        handed you a document that she's marked as Exhibit  
 4        10. It's a January 10, 2008 -- strike that.

5        Exhibit 10 is the minutes from the  
 6        January 10, 2008 Wyckoff Heights Medical Center  
 7        Board of Trustees meeting. It's been marked with  
 8        identification numbers BQHC 55989 through 94.  
 9        Again, you can look at it as much as you care to but  
 10      where I will have questions is again Mr. Singleton's  
 11      report, the bottom of page 4 and the top of  
 12      page 5.

13        A. Okay.

14        Q. The minutes reflect a discussion of  
 15      transferring any senior management employees from  
 16      Wyckoff Heights Medical Center payroll to Caritas  
 17      payroll. This was, in fact, a transfer that was  
 18      done. Correct?

19        A. Yes.

20        Q. What was the reason for doing so?

21        A. The reason is that the employees,  
 22      because I remember the issue, the reason is that the  
 23      employees were on Wyckoff's payroll and every pay  
 24      period Caritas did not have the cash to pay Wyckoff  
 25      back, building what was called an intercompany

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1        receivable. So the amount of money that was owed to  
 2        Wyckoff from Caritas kept growing and growing.

3        The one way to ameliorate that would  
 4        be to actually take those employees, put them on the  
 5        books of Caritas and then as part of the  
 6        restructuring, make sure that there was capital from  
 7        the State, which is part of the 50 million dollar  
 8        ask noted in the minutes, so that the money owed  
 9        Wyckoff could stop and that there would be no longer  
 10      a growing liability to Wyckoff from Caritas.

11        Now, I don't know if that's clear, but  
 12      in essence there are receivables, like when I had  
 13      multiple hospitals here, we had money to float back  
 14      and forth. In this case the amount of money being  
 15      paid to these executives or these employees, and  
 16      nonunion, if I recall, nonunion employees, kept  
 17      driving the amount of money due to Wyckoff higher  
 18      and higher putting Wyckoff in jeopardy.

19        To keep that from happening, we  
 20      decided to put, again with the board's okay, put the  
 21      employees on Caritas' books so when they got paid,  
 22      it had to be out of money from Caritas, meaning that  
 23      whether the money came as loans from the State or  
 24      other cash flows that were available, we had to make  
 25      payroll. And that stopped the hemorrhaging at

1 Wyckoff and put it squarely on the shoulders of  
2 Caritas.

3 Q. So let's break this down into layman's  
4 terms, but you correct me. Is it correct that for  
5 services of senior management employees who were  
6 providing services to more than one entity, there  
7 were book entries that kept track of which entity  
8 owed how much for those services?

9 A. There were employees that could have  
10 worked at either organization but the payroll was  
11 coming from cash belonging to Wyckoff. So Caritas  
12 had to pay back Wyckoff. But that became a problem  
13 in funding primarily because when there wasn't cash  
14 available when we were not getting support from the  
15 State of New York, the State was going, not my  
16 problem, it's Wyckoff's.

17 So to stop that we put them on the  
18 payroll of Caritas, open to the board so that they  
19 understood it, so that we knew we had to fund  
20 payroll, we knew if we went back to the State, we  
21 would get some money from the State to help to make  
22 sure we could make payroll and not jeopardize  
23 Wyckoff.

24 The goal was to protect Wyckoff at  
25 that point from any more exposure relative to the

1 Exhibit 10 to have these employees put on the  
2 Caritas payroll was a choice made to protect Wyckoff  
3 from further financial --

4 A. Exposure from Caritas.

5 There was a clear delineation, which  
6 was the point of BQHC, was to make sure that one  
7 organization didn't be responsible for the other  
8 organization's debts.

9 Q. Did anybody at the board object to  
10 this transfer?

11 A. I don't recall anybody objecting to  
12 that.

13 MR. LOUGHLIN: Can you specify which  
14 board?

15 MR. TZANETOPOULOS: Any of the boards.  
16 A. Well, I mean it was noted at the, I  
17 believe this was a Wyckoff board meeting, I don't  
18 recall them objecting and I don't recall any  
19 objection from anybody on the Caritas board as well.  
20 And I don't have any knowledge as to whether it ever  
21 really went to the BQHC board.

22 Q. It is correct, is it not, that the  
23 majority, if not all, of the BQHC board was also on  
24 the Wyckoff board at this time?

25 A. I believe that's correct.

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1 poor financial performance of Caritas.

2 Q. In order to make this arrangement  
3 work, Caritas would have to have sufficient cash at  
4 this time to pay the entire amount of these  
5 executives' pay?

6 A. Uh-huh.

7 Q. You have to say words.

8 A. Yes, I'm sorry.

9 Q. If Caritas did have sufficient cash to  
10 make those payroll payments, why was the choice to  
11 instead r -- strike that, let me start again.

12 Since Caritas had sufficient cash to  
13 make the entire payroll payments for these  
14 executives, why was the choice made not to simply  
15 have Caritas pay in cash to Wyckoff what it owed?

16 A. Caritas did not have the cash and the  
17 only way to secure the cash at that time was from  
18 additional loans from the State of New York. And we  
19 couldn't, we couldn't arrange for the loans to pay  
20 back Wyckoff.

21 It was kind of Catch 22, if you will,  
22 in that the State would loan money to make sure that  
23 Caritas remained in operation but would not loan  
24 money if it was going to be funded back to Wyckoff.

25 Q. So the choice that's reflected in

1 Q. So if you told the folks at the  
2 Wyckoff board, at least the majority of the BQHC  
3 board knew. Correct?

4 MR. LOUGHLIN: Objection.

5 A. I think that's an assumption, I'm not  
6 sure there was ever a vote.

7 Q. All right. Is it true that -- well,  
8 I'm not going to argue about it, strike that.

9 Now, if we can take five here, I'll be  
10 able to streamline and get you out of here really  
11 quick.

12 MR. SEAR: Good, excellent.

13 (A brief recess is taken.)

14 MR. TZANETOPOULOS: The next exhibit.  
15 (Whereupon Exhibit No. Goldberg-11 was  
16 marked for identification.)

17 Q. Mr. Goldberg, I'm going to show you a  
18 document that the court reporter has marked as  
19 Deposition Exhibit 11. It's an E-mail from Claire  
20 Mullally to Wilfredo Raymundo and an attached  
21 document marked with identification numbers Ross  
22 1564 and 1565.

23 On the second page of the exhibit  
24 marked Ross 1565, is that your initial at the bottom  
25 in the margin?

1 A. Yes.  
 2 Q. Who was Ms. Mullally?  
 3 A. She was in-house counsel after David  
 4 Hoffman.  
 5 (Whereupon Exhibit No. Goldberg-12 was  
 6 marked for identification.)  
 7 Q. Mr. Goldberg, I'm going to show you a  
 8 document the court reporter has marked as Exhibit  
 9 12. It's an E-mail and attachment marked with the  
 10 identification numbers BQHC 04501 through 4504.  
 11 Is 10 that your signature on the signature page in the  
 12 contract?  
 13 A. Yes.  
 14 Q. What was Navin Haffty?  
 15 A. Navin Haffty was the, let me see, I'm  
 16 not sure I remember, they were doing, providing  
 17 consulting support for trying to get the computer  
 18 systems at BQHC for both hospitals working properly.  
 19 They were specifically Meditech, it's called  
 20 Meditech Results, which was the computer system.  
 21 Q. There's been a fair amount of  
 22 documentation on this but, to your understanding,  
 23 the Meditech system was generally a computer billing  
 24 system?  
 25 A. It was more than that. It was the

1 had to keep the computer systems going. And,  
 2 frankly, using them was a lot cheaper than going  
 3 either back to Meditech or bringing in any other  
 4 firms, they were very reasonable in their pricing.  
 5 And, again, this would not have been  
 6 entered into without discussion with Tom Singleton  
 7 to make sure we had covered everything that we  
 8 needed to cover.  
 9 MR. TZANETOPOULOS: Those are all the  
 10 questions that I have at this time.  
 11 MR. LOUGHLIN: Could I just ask three  
 12 or four questions of clarification?  
 13  
 14 CROSS-EXAMINATION BY MR. LOUGHLIN:  
 15  
 16 Q. Mr. Goldberg, you referred earlier, I  
 17 think, to the financial operations at Caritas and at  
 18 Wyckoff but also then a sort of central function.  
 19 Was that known as the central business office?  
 20 A. Correct.  
 21 Q. Could I just ask you a question about  
 22 the reference in Exhibit 9, which is one of the,  
 23 it's the minutes of a board meeting of Wyckoff  
 24 trustees on December 20th? And if I could direct  
 25 your attention to, it's page 3 of the document, it's

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 1 general ledger, financial reporting, accounts  
 2 payable, billing, admissions, registration, almost  
 3 all of the financial operations of the organization,  
 4 except for payroll, were Meditech, and any of the  
 5 clinical systems as well.  
 6 Q. And when you arrived, were there  
 7 problems with the Meditech system?  
 8 A. Yeah, it wasn't working at all.  
 9 Q. Did that affect --  
 10 A. I shouldn't say that. It was somewhat  
 11 working for Wyckoff, not working for Caritas at all  
 12 because of the way it had been slammed in basically  
 13 and implemented.  
 14 Q. And what was Navin Haffty's job with  
 15 respect to that system?  
 16 A. To provide expertise as to how to set  
 17 up the system to have it work properly.  
 18 Q. Did anybody ever object to your  
 19 entering into this agreement with Navin Haffty?  
 20 A. Well, Navin Haffty had been there  
 21 before we arrived. This is what I'm trying to  
 22 remember, exactly why we entered into this. Excuse  
 23 me for one minute.  
 24 No, I don't recall anybody saying that  
 25 there was no reason for this, everybody knew that we

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 1 BQHC 3882 is the bates number.  
 2 I think you've testified about the  
 3 reference here to the transfers of some employees  
 4 from the Wyckoff payroll to the Caritas payroll --  
 5 A. Right.  
 6 Q. -- as a way of trying to reduce the  
 7 indebtedness of Caritas to Wyckoff. Is that right?  
 8 A. To stabilize it so they didn't go  
 9 further in debt.  
 10 Q. Right. And there's a reference, if I  
 11 could direct your attention to the final paragraph  
 12 on that page, it says, Mr. Singleton reported that  
 13 he submitted a request to the State to reduce the  
 14 current 14 million to the board approved 10 million.  
 15 Do you know what that refers to?  
 16 A. No, I do not recall.  
 17 Q. Do you know what the extent of the  
 18 Wyckoff board approved investment in Caritas was?  
 19 A. Not with specificity. I recall  
 20 somewhere along the line that Wyckoff had loaned  
 21 about 14 or 15 million dollars, give or take, to  
 22 Caritas when Caritas was formed, or acquired. And I  
 23 don't recall anything specific that there should not  
 24 have been anything further added to that other than  
 25 the board saying we don't want to put any more money

1 into this, that was kind of the limit of our  
2 exposure.

3 Q. And you mean the Wyckoff board --

4 A. Correct.

5 Q. -- was concerned?

6 A. Yes.

7 Q. And I think you referred to this as a  
8 sort of hemorrhage of the Wyckoff financials?

9 A. Well, the issue for me is that it  
10 became, not to me personally but kind of the CFO  
11 role, seeing that the cash that was available at  
12 Wyckoff was slowly being drained and put into  
13 Caritas. And depending on the survival of Caritas,  
14 they would have not been able to get that cash back  
15 because there was no ability to pay it back at that  
16 point.

17 Q. Do you know whether it was ever paid  
18 back?

19 A. I don't have a recollection of that  
20 and, again, I left there somewhere in the Spring  
21 2008, you know, March, April, May time frame,  
22 probably April, and I don't recall any of the  
23 ability at that point to pay it back.

24 Q. Do you have any recollection of the  
25 Wyckoff board expressing concern about the, I think

1 Do you know whether or not there was  
2 any additional funding at that level that was  
3 provided in response to the request that's referred  
4 to in that paragraph?

5 MR. TZANETOPOULOS: I object to form.  
6 You can answer.

7 MR. SEAR: Go ahead.

8 A. I don't recall the State ever  
9 approving 50 million dollars. But normal course of  
10 business, we would request money, tell them our cash  
11 position, tell them what had to be paid and they  
12 might funnel 5 million, 6 million, 7 million  
13 dollars, maybe 3 million dollars at various points  
14 in time just to continue things going but I don't  
15 ever recall them committing to 50 million.

16 MR. LOUGHLIN: I don't have anything  
17 further.

18 MR. TZANETOPOULOS: Thank you very  
19 much, sir.

20 (Whereupon the deposition concluded at  
21 12:02 p.m.)

51 1 as you put it, the exposure of Wyckoff to Caritas?

2 A. Yeah, I remember having that  
3 discussion with the board about it.

4 MR. TZANETOPOULOS: I object to form,  
5 but go ahead.

6 A. I recall that discussion with the  
7 board as we were talking about moving these  
8 employees, and then ongoing reporting to them to  
9 make sure that that liability back didn't change  
10 significantly over time, which would have capped  
11 their exposure.

12 Q. There is also a reference in the, in  
13 Exhibit 10, which is another January 10th, 2008  
14 board minutes, to the same subject but then if you  
15 turn to the next page --

16 MR. SEAR: What page are you referring  
17 to?

18 Q. I'm sorry, this is, internally in the  
19 document it's page 5, it's Bates No. BQHC 55993, and  
20 I'm looking at the first full paragraph on that page  
21 which says, Mr. Singleton advised the board that he  
22 will be attending a meeting next Tuesday in Albany  
23 where he will present a very detailed plan for  
24 Caritas through June of 2008. The plan includes a  
25 request for 50 million dollars in funding.

52 1 CERTIFICATE OF OFFICER

2  
3 I, LUANN J. COFONE, a Notary Public  
4 and Certified Court Reporter of the State of New  
5 Jersey, do hereby certify that prior to the  
6 commencement of the examination, the witness was  
7 duly sworn.

8 I DO FURTHER CERTIFY that the  
9 foregoing is a true and accurate transcript of the  
10 testimony as taken stenographically by and before me  
11 at the time, place and on the date hereinbefore set  
12 forth.

13 I DO FURTHER CERTIFY that I am neither  
14 a relative nor employee, nor attorney or counsel to  
15 any of the parties involved; that I am neither  
16 related to nor employed by such attorney or counsel,  
17 and that I am not financially interested in the  
18 outcome of the action.

19  
20  
21  
22 A NOTARY PUBLIC OF THE STATE OF NEW JERSEY  
23 My Commission Expires: January 6, 2015  
24 C.C.R. License No. 1066  
25